

**BOARD LETTER – SUMMARY SHEET
HEALTH AND MENTAL HEALTH SERVICES CLUSTER**

AGENDA REVIEW	05/21/14
BOARD MEETING	06/04/14
SUPERVISORIAL DISTRICT	All
DEPARTMENT	Department of Mental Health (DMH)
SUBJECT	APPROVAL TO RENEW 27 DEPARTMENT OF MENTAL HEALTH PHARMACY AGREEMENTS FOR FISCAL YEAR 2014-15
PROGRAM	Office of the Medical Director
DEADLINES	June 30, 2014
COST & FUNDING	The total estimated cost of these 27 pharmacy agreement renewals in FY 2014-15 is \$8,945,783 funded by 2011 Realignment and State MHSA revenue, and is included in the Department's FY 2014-15 CEO Recommended Budget. Funding for future fiscal years will be requested through DMH's annual budget process. There is no increase in net County cost associated with the above recommendations
PURPOSE OF REQUEST	Board approval of the recommended actions will renew pharmacy agreements expiring on June 30, 2014, in order to continue dispensing medication to clients from contractors' own stock supply. Furthermore, Board approval will allow the Department to amend agreements as the need arises. The short renewal term is necessary so that DMH may continue to dispense medication to clients without interruption until DMH concludes a Request for Proposal (RFP) solicitation bid process for a Pharmacy Benefit Management (PBM) agreement. It is anticipated the PBM RFP process will conclude in FY 2014-15, at which time the PBM company will assume responsibility for administration of DMH's prescription drug program.
SUMMARY/ ISSUES (Briefly summarize program and potential issues or concerns. Identify changes, if any, to level of funding or staffing; how funding will be utilized and why best use; prior accomplishments; and for BLs involving contracts, also note changes to the contract term.)	<p>The renewal of the 27 pharmacy agreements is a critical component in the delivery of mental health services, as prescribed medications play a vital role in the treatment of mental health clients. Psychiatrists in contracted and directly operated mental health programs write prescriptions which are filled by local pharmacies.</p> <p>Clinical and administrative staff of DMH will continue to administer and monitor contractors' adherence to the agreements to ensure quality services are provided to clients. As mandated by your Board, DMH evaluates the performance of all contractors on an annual basis to ensure contractors are in compliance with all contract terms and performance standards.</p> <p>A contract with a PBM is necessary because DMH's existing legacy mainframe-based Mental Health Management Information system (MHMIS) and the web-based "wrapper" of the MHMIS known as the Integrated System for claims processing functions will be replaced by the Integrated Behavioral Health Information System (IBHIS). The PATS is interfaced with and dependent on the MHMIS, which will be shut down once IBHIS is fully implemented.</p>
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